



Director of
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Greek Destroyer Fired On



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TURKEY-GREECE: Naval Incident

The incident yesterday in the northern Aegean involving Turkish and Greek warships will contribute to the decline in relations, which are being strained by new tension over Cyprus. [redacted]

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The US Embassy reports that three salvos fired by Turkish warships conducting an antiaircraft exercise in international waters landed near a Greek destroyer and several fishing boats near the Greek island of Samothraki. Athens has rejected Ankara's explanation that the flotilla's fire was directed away from Greek ships, and both the Greek and the Turkish Ambassadors have been requested by Prime Minister Papandreou to return to their capitals. [redacted]

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Athens also announced that it has reinforced surveillance of the area, and it has protested to Allied ambassadors and directed its representative to raise the issue at NATO headquarters. Deputy Foreign Minister Kapis, however, has informed the US Ambassador that Greece was prepared to accept any reasonable Turkish explanation of the incident. [redacted]

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Comment: The incident probably was not a deliberate provocation. The Greeks are unlikely to believe this, however, or at least to acknowledge it publicly. [redacted]

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Both sides probably will want to avoid a military confrontation. As a result of the increasing tension over Cyprus, however, Greek and Turkish forces are likely to be on a higher state of alert. This could increase the chances of another incident. [redacted]

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Moreover, the recall of the ambassadors will make it more difficult for the two governments to calm the situation quickly. [redacted]

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CUBA-US: Preparations To Use ASW Helicopters

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Cuba received four MI-14 ASW helicopters from the USSR late last year. These helicopters were delivered to Cienfuegos Airfield, in central Cuba, where they have been assembled.

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the Cubans are preparing the airfield there to support helicopter operations. Helicopter landing zones have been painted on the runway, two helicopter hardstands have been built, and what appear to be parking aprons are under construction. In addition, an ordnance depot has been constructed and an old repair hangar is being refurbished.

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Comment: The MI-14 is the USSR's most modern land-based ASW helicopter. It is normally equipped with sonar, radar, and magnetic anomaly detection devices and is armed with mines, torpedoes, and depth bombs, but these sensors and weapons have not yet been observed.

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The Soviet Navy uses the MI-14 primarily as an ASW aircraft. The Cubans, however, probably also will employ it for monitoring surface ships.

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The improvements to the facilities at Mariel are likely to be completed by midyear. The MI-14, operating at the extreme limits of its range and with a light load of weapons and sensors, has a maximum operating radius of 180 kilometers. This gives it the capability to monitor the sea lanes in the Straits of Florida.

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SURINAME: New Policy on Censorship

Army Commander Bouterse has agreed to end media censorship on 1 May. [redacted]

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The US Embassy says Prime Minister Udenhout has obtained Bouterse's agreement to end restrictions on the media that have been in effect since December 1982. Two private radio stations and one newspaper reportedly will be allowed to resume operations and the government will no longer maintain its control over the editorial policy of another newspaper. [redacted]

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Udenhout also is conducting an investigation of government employees who deal with the media in an effort to root out leftist influence. A new law regulating the media is to be enacted later this year. [redacted]

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Meanwhile, the government has charged that a large force of Surinamese exiles in neighboring French Guiana is preparing for an invasion. [redacted]

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Two people were arrested last week for allegedly contacting the exiles. [redacted]

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In addition, the Army reportedly was put on alert, and security patrols in the capital were increased. [redacted]

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Comment: The status of the media will continue to be precarious even after the restrictions are lifted. Bouterse will not hesitate to reimpose censorship or close down newspapers and radio stations if opposition activities or media criticism challenge his hold on power. [redacted]

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Although information on the activities of the exiles is fragmentary, there does not appear to be any immediate threat to the regime. Nonetheless, the arrests last week indicate that Bouterse is concerned about domestic support for the exiles. His decision to relax media censorship may be aimed at undermining such support, especially in the middle class. [redacted]

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USSR: Commercial Resources Satellite

The USSR may provide a satellite service to CEMA countries next year that could become competitive with the US Landsat system.

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The Soviets recently filed a request with an international agency reserving two radiofrequencies for an Earth resources survey satellite that would begin operating in 1985. The system will have two operational satellites designed to provide meteorological data and a combination of high- and medium-resolution remote-sensing data. According to the request, the system will be used by the USSR, East Germany, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Mongolia, Vietnam, and Cuba.

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Comment: Last July the Soviets launched a new satellite, Cosmos 1484, which may be the immediate forerunner of the system they intend to operate next year. Although the Soviets have released no information about the Cosmos 1494, it may carry an improved imaging system. To have a fully effective system, however, the Soviets will have to upgrade their data collection, relay, and ground processing capabilities.

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The new system may have real-time data transmission capabilities and imaging resolutions similar to the US Landsat satellites. If so, it could become highly competitive with Landsat, especially if the potential sale of Landsat to US private industry results in higher user charges. It will also have to compete with France, which intends to orbit a commercial system in 1985 and is already searching for customers.

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USSR-IRAN-IRAQ: Private Comments on the War

Foreign Minister Gromyko told the visiting Yugoslav Vice President last week that the "Islamic extremist" Ayatollah Khomeini was responsible for the continuation of the "senseless" war, according to an official of the Soviet Embassy in Belgrade. The chief of the Foreign Ministry's Middle East department, in a conversation with a West European ambassador last week, doubted that Iran would try to block the Strait of Hormuz. One of his deputies expressed similar skepticism this week to a US Embassy official, claiming that Tehran would suffer as much as the other nearby countries if it were to take such a step. [REDACTED]

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Comment: Gromyko's remarks go far beyond the line in the media, which has been increasingly critical of Iran's prolongation of the war. [REDACTED]

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[REDACTED] The comments of the officials in the Middle East department tend to confirm that the TASS statement on Wednesday condemning US naval and air activity in the Gulf was more an attempt to discredit the US than a reflection of concern that closure of the strait is imminent. [REDACTED]

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IRAN-IRAQ: Increase in Charter and Insurance Rates

Iraq's recent air attacks on ships in the Persian Gulf have led to increases in charter rates and war risk insurance premiums for tankers entering the Gulf. Charter rates for oil shipments from Khark Island to Western Europe have risen from 66 cents per barrel to \$1.09 per barrel since the end of February, according to press reports. Insurance premiums on tankers visiting Khark Island have doubled. Iran's news agency reported yesterday that Tehran was putting \$100 million into a London bank to insure all tankers loading oil at Khark Island. [REDACTED]

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Comment: Tehran's willingness to provide insurance underscores its concern about a possible drop in oil sales. To maintain exports at current levels, Tehran also will have to factor the new charter rates into its price. Iran already has set its official sales price \$1 per barrel below comparable Arab crudes to offset the higher costs of shipping and insuring its oil. The new increases would force Tehran to absorb an additional 25 cents per barrel, or an estimated \$150 million per year in lost export earnings. [REDACTED]

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SYRIA: Government Appointments Expected

President Assad may calculate that giving his brother Rifaat a more prominent post will ease tensions—at least in the short term—by allowing him to claim a victory and pull his troops back to their barracks. Press reports state that Assad plans to appoint three vice presidents, in an effort to ease the power struggle among his advisers. Rifaat, Foreign Minister Khaddam, and Baath Party leader Mashariqah reportedly are to fill the positions for Defense and Security, Political and Foreign Affairs, and Party Affairs, respectively.

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Comment: The succession issue will remain unresolved, if Assad names two of Rifaat's rivals to equal positions. The role of the vice president for defense in the military chain of command—now dominated by Rifaat's opponents—still has to be defined.

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USSR-EASTERN EUROPE: Shortage of Civilian Aircraft

The chairman of a Yugoslav charter airline recently told [] that the Soviets are interested in buying back old TU-134 airliners in an effort to ease a shortage of commercial transports in the USSR. He sold the Soviets three of the aircraft last December and will travel to Moscow this month to discuss additional sales. The Yugoslav believes civilian aircraft production in the USSR has suffered from a greater allocation of resources into the production of military aircraft. [] the shortage of Soviet civilian aircraft has caused problems for airlines in Eastern Europe, especially for Bulgaria and Poland, which rely on the USSR for equipment. []

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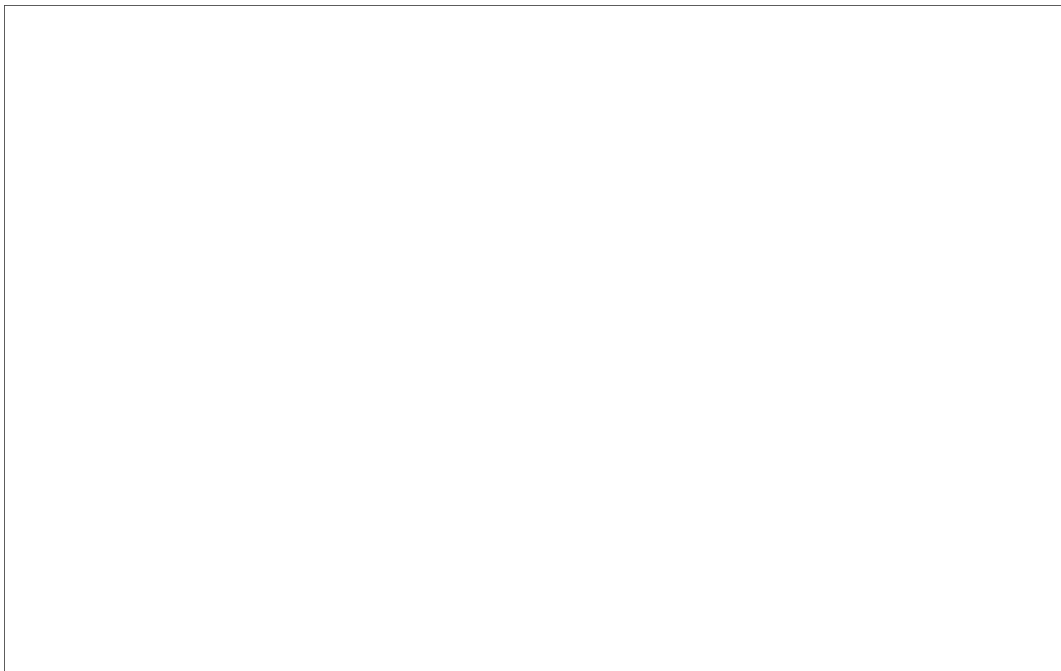
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POLAND: Pressure on Intellectuals

The authorities have increased pressure in recent weeks on uncooperative intellectuals. The US Consul in Poznan reports that special police teams detained 10 people following searches of the apartments of writers, actors, and other cultural figures who had been active in underground activities.

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In addition, the government has imposed new financial penalties on writers who have their new works printed abroad and increased its harassment of lawyers who defend individuals accused of opposition activity.

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Comment: These actions are another sign of the regime's frustration over its failure to win support from intellectuals. They probably are a victory for those in the regime who have argued for tougher measures to bring intellectuals into line. This latest pressure could lead to greater political passivity and perhaps increased emigration by intellectuals. Premier Jaruzelski may hope that this display of heightened vigilance will forestall attacks from his critics at a party conference scheduled to be held next week.

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Joao Baena Soares



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OAS: Election of New Secretary General

Joao Baena Soares, the second-highest ranking official in the Brazilian Foreign Ministry, is favored to win the election on Monday for secretary general of the OAS. He has more than twice as many committed votes as his competitor, Barbadian Valerie McComie, including those of all South American countries. The support for McComie, who is Assistant Secretary General and has been acting head of the OAS since the resignation last fall of Alejandro Orfila, comes entirely from the Caribbean region. Although Baena Soares is generally pro-US, he is sensitive to suggestions that Brazil may be too close to the US. []

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Comment: The 52-year-old Baena Soares apparently is seeking the post because of his uncertain future in the Brazilian Government after President Figueiredo departs. He is a strong administrator and politically moderate. As secretary general, he probably would focus on reducing personnel strength in the secretariat, eliminating duplication of effort in subordinate organizations, and consolidating technical assistance programs. []

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FRANCE: Strikes in the Public Sector

Massive strikes by public-sector employees and sympathetic unions yesterday disrupted the economy in the largest labor stoppage faced by President Mitterrand's three-year-old government. The pro-Socialist labor confederation was the only major union that did not support the strike, although several of its member unions participated. The workers were protesting the government's failure to maintain fully their purchasing power and its attempts to restrict any informal system of indexing public-sector wages. []

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Comment: The government has campaigned for two years to reduce indexing wages in the public sector as a step toward eliminating it in the private sector. Wage increases in the private sector have been moderate so far this year, but larger increases in the public sector could encourage other union demands. These increases probably would weaken employer resistance to wage claims that could be inflationary. Almost any concessions by the government on wages would destroy its hope to reduce inflation to 5 percent this year. []

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Special Analysis

USSR: Genetic Engineering

The USSR is promoting genetic engineering, a method by which genetic material can be isolated, manipulated, and introduced into cells to alter their characteristics. Moscow is emphasizing research in biotechnology, with eventual applications in medicine, agriculture, and industry. The Soviets see genetic engineering as the most immediately promising area of biotechnology, and they are using every available mechanism to acquire the more advanced technology of the West. Genetic engineering has both military and civilian applications.

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The progress of Soviet genetic engineering has been made possible in part by the acquisition of Western laboratory equipment and expertise. US export restrictions on genetic engineering-related data, equipment, and materials reportedly have slowed research, but the Soviets have resorted to clandestine acquisition when legal means have been denied them. Moreover, Moscow is now able to purchase these resources from Western Europe, Japan, and foreign subsidiaries of US companies.

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There are fewer molecular biologists in the USSR than in the West. By concentrating on basic sciences, however, the Soviets have mastered existing technology. They are capable of innovative research and technological development in areas to which they give special emphasis.

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Research Facilities

Basic and applied genetic engineering and related research are carried out at more than 75 Soviet facilities. The more complex research is generally conducted by institutes with long established expertise in biochemistry, enzymology, and classical genetics. A few recently established institutes also are involved.

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These research facilities are subordinate to the Academy of Sciences, the Ministry of Health, the Microbiological Industry, the Ministry of Defense, or universities throughout the country. An Interagency Scientific and Technical Council subordinate to the Council of Ministers and the party Central Committee was established in 1981 to organize and direct the research.

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Potential Uses

The greatest potential threat militarily is the development of unique biological or chemical weapons that would be difficult to defend against. Genetic engineering allows large-scale production of many types of materials previously unobtainable except in minute quantities but suitable for use as lethal or incapacitating CBW agents. It also offers the potential for altering pathogens to disguise their identity, for making pathogens resistant to otherwise effective antibiotics, and for initiating production of toxins in normally benign organisms. [redacted]

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Commercial applications are potentially numerous, and the Soviets may be able to participate successfully in the expanding international market. Moscow provides its scientists with a new cash incentive program for applied research and development, as well as traditional mechanisms for coordinating and targeting research and development. [redacted]

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Soviet agriculture, biomedicine, energy, and chemical industries stand to gain from genetic engineering. For agriculture, it offers potential alternatives to combat unreliable crop yields, marginally productive soils, and losses to plant pests. [redacted]

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The Soviets expect to attain a high degree of success in the area of biomedicine, particularly public health, with emphasis on vaccines and such biologically active proteins as insulin, interferon, and hormones. [redacted]

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For energy applications, genetic engineering promises nonfossil fuel production and recovery of uranium from ore, as well as biosynthesis of specialized lubricants. Potential chemical applications include production of plastics and friction-reducing coatings, large-scale fermentation, biodegradation and pollution control, and development of biological catalysts. [redacted]

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